

Digging Out of Mississippi's Budget Hole

Fiscal Year 2004

Use of One-Time Funds: \$452 million

Transfers from Special Funds:	\$248 million
Tobacco Trust Fund:	\$102 million
Waiving the 2% Set Aside:	\$ 72 million
Sales Tax Diversion:	\$ 30 million

Program Deficits: \$257 million

Medicaid	\$158 million
Corrections	\$ 58 million
Debt Service	\$ 20 million
Human Services (est.)	\$ 17 million
DFA	\$ 2 million
Tax Commission	\$ 1 million
MS Bureau of Narcotics	\$ 1 million

= \$709 million budget hole

Fiscal Year 2005 Governor's Budget Recommendation

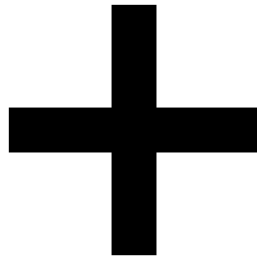
Use of One-Time Funds: \$336 million

Transfers from Special Funds:	\$132 million
Tobacco Trust Fund:	\$102 million
Waiving the 2% Set Aside:	\$ 72 million
Sales Tax Diversion:	\$ 30 million

Program Deficits: -0-

(Contingency	\$ 20 million)
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= \$356 million budget hole



**Governor's Increases from the
2005 Legislative Budget Committee
Recommendation**

<u>Increase</u>	<u>Area</u>	<u>Reason</u>
+\$100 million	Universities/Community Colleges	Workforce Development Prevent Tuition Hikes
+\$6 million tax hikes	Homestead Exemption	Prevent City/Co.
+\$5 million	Mississippi Development Authority	Job creation efforts
+\$1 million enforcement	Mississippi Bureau of Narcotics	Drug

= \$113 million increase

<u>Savings</u>	<u>Area</u>	<u>Action</u>
-\$130 million	Medicaid	Control pharmaceutical costs Disease management strategy Patient/provider education initiative
-\$54 million choices/premiums	State Health Ins.	Tailored plan/deductible
-\$26 million operations	IHL/CC	Consolidating purchasing/business
-\$25 million	Administration	Temporary removal from Personnel Board
-\$34 million	Corrections	Lower per-day inmate housing costs Close older, inefficient Parchman units Refinance prisons/Use private prison space New technology for guarding inmates
-\$11 million operations (+\$ 5 million agency)	Mental Health <i>Mental Health</i>	Consolidating purchasing/business <i>Apply portion of savings back into</i>
-\$5 million Fund	Transportation	Put MDOT interest earnings in General
-\$3 million	Boards/Commissions	Centralize location for licensing agencies

-\$2 million	MESC	Move under the Governor's direction
-\$1.2 million	MBN	Consolidate MBN functions under
DPS		
<i>(+1.2 million</i>	<i>MBN</i>	<i>Apply savings back into agency)</i>

= \$283 million savings